



Collection Companies: What Can They Do to Me?

Know your rights, verify the debt, and take collection notices seriously

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A call or letter from a debt collector can be unsettling. Knowing what collectors can—and cannot—do helps you respond without being pressured into a hasty decision.

Collectors may seek payment, report eligible debts to credit reporting companies, and pursue lawsuits. Their authority has limits, however, and you have rights even when you owe the money.

Know Which Protections Apply

The federal Fair Debt Collection Practices Act generally covers third-party collectors collecting personal, family, or household debts. It also covers many debt buyers and collection attorneys. It generally does not cover business debts or original creditors collecting in their own names.

State laws may provide additional protections. This article summarizes federal rules; the details of a particular situation may require local legal advice. [See the FTC's debt collection overview.](#)

Verify the Debt Before Paying

Start by confirming who contacted you and what they claim you owe. Don't provide payment information simply because a caller sounds convincing.

Collectors generally must provide validation information in the initial communication or within five days. It identifies the creditor, the amount claimed, and your dispute rights.

If the debt or amount appears wrong, dispute it in writing within the 30-day validation period. A timely written dispute generally requires the collector to pause collection of the disputed debt until it provides verification. Keep copies and proof of delivery. [The FTC explains validation and disputes.](#)

Understand the Limits on Contact

Collectors can communicate by phone, mail, email, text, and certain private social-media messages, but they cannot contact you whenever or however they please.

Under federal rules, collectors generally cannot:

- Contact you before 8 a.m. or after 9 p.m. in your local time.
- Contact you at a time or place they know is inconvenient.
- Contact you at work if they know or should know your employer prohibits those communications.
- Harass you, use abusive language, or make false threats.
- Discuss your debt with neighbors, coworkers, or other unauthorized people.

Limited contact with others to obtain your location information may be permitted. Workplace calls are not automatically prohibited, so tell the collector if you cannot receive them there. [Read the CFPB's explanation of contact restrictions.](#)

Phone-call frequency also matters. Subject to exceptions, collectors are presumed to violate the rules if they call about a particular debt more than seven times in seven consecutive days, or call within seven days after a telephone conversation about that debt. Even fewer calls can be unlawful harassment depending on the circumstances. [See the CFPB's call-frequency guidance.](#)

Know How Collections Can Affect Your Credit

A collection account may appear on your credit reports and affect your credit standing. Collectors must follow required contact procedures before reporting a debt, along with other credit-reporting rules. [The CFPB explains those requirements.](#)

Most negative account information can generally remain for up to seven years. Paying a collection does not necessarily remove it immediately, although its balance and status should be accurate. Dispute incorrect information rather than assuming every collection entry is valid. [Review the CFPB's reporting-time guidance.](#)

Take Court Papers Seriously

Do not assume a collector is unlikely to sue. A creditor or debt buyer may pursue a lawsuit, and ignoring it can result in a default judgment—even when you have a defense.

Read court papers carefully and respond by the required deadline. Asking the collector to verify a debt does not replace responding to a lawsuit. [Learn what to do if you are sued.](#)

A judgment may permit wage garnishment, bank-account collection, or other enforcement, subject to applicable laws and exemptions. Seek help promptly from a consumer-law attorney or legal-aid organization. [The CFPB explains debt judgments.](#)

Be Careful With Old Debts

The deadline for filing a debt lawsuit—the statute of limitations—depends on the debt and applicable law. It is separate from the time limit for credit reporting.

Collectors covered by federal law cannot sue or threaten to sue over time-barred debt. But in some states, making a partial payment or acknowledging an old debt can restart the time for a lawsuit.

Before paying or promising to pay an old debt, find out which rules apply. If you receive court papers, respond even if you believe the debt is too old to enforce. [Read the CFPB's guidance on older debts.](#)

You Can Request That Contact Stop

You can send a written request telling a collector to stop contacting you. Keep a copy and proof that it was received.

After receiving the request, the collector generally may contact you only to confirm that further contact will stop or to notify you of certain legally permitted actions.

Stopping contact does not erase the debt, prevent lawful credit reporting, or stop a lawsuit. Continue opening court notices and other important mail. [The FTC explains stop-contact requests.](#)

Keep Records and Respond Deliberately

Save letters, messages, payment records, and notes of conversations. If you agree to a repayment or settlement arrangement, get its terms in writing before paying.

Report suspected misconduct to the [Consumer Financial Protection Bureau](#), the [Federal Trade Commission](#), or your state attorney general.

You do not have to accept harassment, and you should not ignore a legitimate collection problem. Verify the facts, protect your rights, and choose your next step with a clear understanding of your obligations and options.